CHICAGO BANK STOCKS

Quoted by Babcock, Rushton & Co.

NATIONAL BANKS	Bid	Asked	Book Value
Austin National Bank	140	145	127
Bowmanville National Bank	180	195	194
Calumet National Bank	180	200	153
*Cont. & Com. Nat. Bank	288	290	231
City Nat. Bk. of Evanston	250	260	249
Corn Ex. Nat. Bank	345	350	329
Drovers National Bank	225	235	171
†First Nat. Bk. of Chicago	382	386	340
First Nat. of Englewood	370	...	352
Fort Dearborn Nat. Bank	6208	215	162
Irving Park Nat. Bank	210	...	177
Jefferson Park Nat. Bank	180	190	203
Live Stock Ex. Nat. Bank	200	210	200
Mutual National	180	200	123
Nat. Bank of the Republic	140	145	189
Nat. City Bank of Chicago	148	152	183
Nat. Produce Bk. of Chi.	150	160	143
Rogers Park Nat. Bank	170	...	155
Washington Park Nat. Bk.	270	...	163
West Side Nat. Bank	110	120	122
STATE BANKS			
Adams State Bank	130	160	122
Aetna State Bank	130	135	124
American State Bank	205	215	138
Austin State Bank	230	245	175
Capital State Sav. Bank	175	185	126
Central Mfg. District Bk.	245	255	168
Central Trust Co. of Ill.	178	182	146
Century Trust & Sav. Bk.	120	125	129
Chicago City Bk. & Tr. Co.	320	330	265
Chicago Morris Plan Bank	70	75	121
Chicago Trust Co.	140	144	157
Citizens Trust & Savings	210	220	135
Citizens State Bk. of Chi.	160	175	139
Columbia State Savings	130	140	143
Depositors State & Sav. Bk.	215	225	174
Drexel State Bank	195	...	171
Drovers Tr. & Sav. Bk.	345	...	271
Englewood State Bank	190	200	145
Fidelity Tr. & Sav. Bank	155	165	110
Fort Dearborn Tr. & Sav.	250	...	194
Franklin Tr. & Sav Bk.	200	...	214
Fullerton State Bank	150	155	134
Garfield Park State Bank	204	210	132
Great Lakes Trust Co.	97	99	123
Greenebaum Sons B. & T.	300	315	185
Guarantee Tr. & Sav. Bk.	165	175	170
Harris Tr. & Sav. Bk.	500	510	307
Halsted Street State Bk.	145	...	144
Home Bank & Trust Co.	260	...	132
Hyde Park State Bank	170	185	182
Illinois Tr. & Sav. Bank	345	350	333
Independence State Bank	190	200	123
Kaspar State Bank	285	300	177
Kenwood Tr. & Sav. Bk.	260	290	251
Lake Shore Tr. & Sav. Bk.	150	...	124
Lake-State Bank	120	130	117
Lake View State Bank	125	135	133
Lake View Tr. & Sav. Bk.	250	275	183
‡Lawndale State Bank	380	...	282
Liberty Tr. & Sav. Bk.	240	270	122
Lincoln State Bank	110	120	116
Lincoln Tr. & Sav. Bk.	125	135	142
Logan Square Tr. & Sav.	135	145	134
Market Tr. & Sav. Bank	110	115	130
Madison & Kedzie State	225	250	145
Mechanics & Traders State	145	155	146
Mercantile Tr. & Sav. Bk.	185	200	136
Merchants Loan & Tr. Co.	345	355	325
Michigan Ave. Trust Co.	155	165	143
Mid-City Tr. & Sav. Bk.	215	225	115
Noel State Bank	150	160	139
North Ave. State New Bk.	155	...	153
Northern Trust Co.	310	320	309
North-Western Tr. & Sav.	240	250	157
Oak Park Tr. & Sav Bk.	195	205	146
Peoples Stock Yards State	325	335	138
Peoples Tr. & Sav. Bk.	210	225	160
Pioneer State Sav. Bk.	200	...	131
Prudential State Sav. Bk.	160	170	133
Pullman Tr. & Sav. Bk.	200	220	187
Reliance State Bank	280	290	125
Roseland State Sav. Bk.	125	150	139
Schiff & Co. State Bk.	275	300	169
§Security Bank of Chicago	370	...	290
Sheridan Tr. & Sav. Bk.	275	300	142
Sixty-third and Halsted Bk.	135	145	130
South Chicago Sav. Bk.	150	175	132
South Side Tr. & Sav. Bk.	200	...	164
South West Tr. & Sav. Bk.	150	160	130
South West State Bk.	128	135	132
Standard Tr. & Sav. Bk.	155	165	171
State Bank of Chicago	315	325	271
State B. & T. of Evanston	250	260	231
State Bank of W. Pullman		140	154
Stockmen's Tr. & Sav. Bk.	165	180	160
Stock Yards Sav. Bk.	450	...	236
Union Bank of Chicago	138	145	148
Union Trust Company	315	...	242
United State Bank	135	145	136
W. Englewood Ashland	182	195	150
West Side Tr. & Sav. Bk.	275	290	115
West Town State Bk.	160	...	142
Wiersema State Bank	140	150	133
Woodlawn Tr. & Sav. Bk.	290	...	140

*Book value includes capital and surplus and undivided profits of Continental and Commercial Trust and Savings Bank and Hibernian Banking Association.

†Book value includes capital and surplus of First Trust and Savings Bank.

‡Book value includes capital and undivided profits of Lawndale National Bank.

§Book value includes capital and undivided profits of Second Security Bank.

EL PASO ELECTRIC

Stone & Webster, Inc., advise that a quarterly dividend of $2.50 per share has been declared on the common capital stock of El Paso Electric Company payable June 15, 1921, to stockholders of record at the close of business June 1, 1921.

Stone & Webster, Inc., also advise that a semi-annual dividend of **$3.00 per share on the** preferred capital stock and a quarterly dividend of $1 per share on the common stock ($50) par value) of Blackstone Valley Gas and Electric Company have been declared, both payable June 1, 1921, to stockholders of record at the close of business May 21, 1921.

TO INCREASE STOCK

Directors of the Illinois Bell Telephone Company, at a meeting held this week, passed a resolution calling for a special stockholders' meeting to be held on June 15 to authorize an increase in the capital stock of the company from $40,000,000 to $50,000,000. The $10,000,000 of new stock will be offered to stockholders at par. More than 98 per cent of the stock of the Illinois Bell Company is owned by the American Telephone & Telegraph Company, and that company will no doubt take its pro rata of the new stock.

The proceeds will be used for retiring loans made to the company by the local banks and the American Telephone & Telegraph Company to pay for additions to plant already made, and partly to meet the construction program of the current year.

The last time that the company did any permanent financing was in October 1, 1918, when it sold $4,000,000 of stock.

ILLINOIS BELL CO.

Directors of the Illinois Bell Telephone Company have declared regular quarterly dividend of $2 a share, payable June 30 to stockholders of record June 29.

UNLISTED SECURITIES

Quoted by Paul H. Davis & Co.

Members Chicago Stock Exchange

	Bid	Asked
Am. Fork & Hoe Co., com	100	105
Amer. Fork & Hoe Co., pfd	94	99
Amer. Stove Co	126	133
Amer. Typefounders, com	40	42
Amer. Typefounders pfd	78	81
Avery Co., com	25	30
Avery Co., pfd	60	70
Babcock & Wilcox	107	110
Beatrice Creamery Co., com	175	185
Beatrice Creamery Co., pfd	90	95
Benjamin Elec. Mfg., 1st pfd	94	98
Borden Co., The, com	94	96
Borden Co., The, pfd	86	88
Brunswick-Balke-Coll., pfd	88	90
Buda, pfd	97	100
Burroughs Adding Mach	148	155
Chicago Mill & Lumber, pfd	98	102
Chicago Railway Equipment	115	117
Columbia Sugar Co	9	10
Congress Hotel, com	103	110
Consumers Co., com	9	11
Consumers Co., pfd	77	80
Creamery Pkg. Co., com	25	26
Creamery Pkg. Co., pfd	92	96
Edmunds & Jones, com	13	15
Edmunds & Jones, pfd	70	75
Elgin National Watch Co	31	34
Federal Truck	18	20
First State Pawners	96	100
Firestone T. & R., com	70	76
Ford Motor of Canada	235	245
Goodyear Tire & Rubber, com	8	9
Goodyear Tire & Rubber, pfd	26	27
Gossard Co., H. W., com	31	34
Gossard Co., H. W., pfd	80	85
Great Lakes Transit	30	35
Harris Bros.	38	40
Hercules Powder Co., com	130	140
Hercules Powder Co., pfd	90	93
Holland-St. Louis Sugar	7	8
Hotel La Salle, pfd	110	120
Hurley Machine Co., com	41	43
Hurley Machine Co., pfd	100	105
Inland Steel Co	41	43
Ins. Exch. Bldg. Corp., pfd	89	92
Kellogg Switch Supply	38	40
Kellogg Toasted Corn Flake	21	23
Linderman Steel	12	15
Mayer & Co., Oscar, 1st pfd	89	92
Mayer & Co., Oscar 2nd pfd	85	90
McCord Mfg. Co., com	7	8
McCord Mfg. Co., pfd	40	45
Michigan Sugar	7¼	8
Moline Plow, 1st pfd	25	30
Nash Motors Co., com	290	310
Nash Motors Co., pfd	91	95
National Grocer Co., com	6¾	7¾
National Grocer Co., pfd	88	92
Northwestern Yeast Co	300	315
Packard Motor Car, com	8½	9
Packard Motor Car, pfd	70	72
Pacific Detroit Motor, com	17	18
Paige Detroit Motor, pfd	68	75
Parke Davis	89	91
Pick & Co., Albert, pfd	88	90
Republic Truck, pfd.	55	60
Simmons & Co., pfd	87	92
Stearns Motor	23	26
Stover Mfg. Co., com	21	23
Stover Mfg. Co., pfd	87	89
Sullivan Machinery Co	49	52
U. S. Gypsum Co., com	18	19
U. S. Gypsum Co., pfd	87	89
Utah Idaho Sugar Co.	5	6
Wahl, pfd	86	88

CLEVELAND STOCKS

Quoted by Otis & Co.

May 25, 1921

	Bid	Asked
Firestone, com.	65	70
Do., 6% pfd	..	87
Do., 7% pfd	..	76
Goodyear, com.	7½	8
Do., pfd.	25	26
Miller, com.	..	65
Do., pfd.	68	72
Goodrich, com.	36	36¾
Do., pfd.	80	81
Portage, com.	15	..
Do., pfd.	..	33
Swinehart, com.	..	..
Do., pfd.	..	..
Brier Hill Steel, com	18	20
Do., pfd.	..	101
Trumbull Steel, com	19	20
Do., pfd.	..	95
Youngstown Sheet & Tube, com	59	64
Do., pfd.	102	110
Stearns, com.	24½	25½
Do., pfd.	..	..
Peerless, com.	23	25¼
Do., 6% notes	..	..
Grant, com.	3	3¼
Do., pfd.	..	45
Producers & Ref., com	4	4½
Do., pfd.	6½	7
Paragon, com.	16	19½
Do., pfd.	..	..
Gates Oil	..	..
National Refg., com	30	32½
Do., pfd.	115	120
Fisher Body Ohio, com	18½	..
Do., pfd.	75	79
Grasselli Chem., com	133	..
Do., pfd.	92	94
Standard Parts, com	..	½
Do., pfd.	1¾	..
Ohio State Tel., com	..	32
Do., pfd.	..	88
Lake Erie, com	4	5
Do., pfd.	..	55
Am. Multigraph, com	18	19
Do., pfd.	..	..
Cleveland Ry.	85½	87

TOLEDO SECURITIES

Quoted by Tucker, Robison & Co.

May 25, 1921

Stocks—	Bid	Asked
Commonwealth Bldg. Co., com	75	100
Gendron Wheel	..	100
Libbey-Owens, com.	102	106
Libbey-Owens, pfd	97¾	98
Louisville Home Tel	90	92½
Milburn Wagon, com	95	..
Milburn Wagon, pfd.	90	100
National Dairy Co., com	15	23
National Dairy Co., pfd	75	100
National Supply, com	140	150
National Supply, pfd	100	101½
Ohio State Tel. Co., com	30½	31
Ohio State Tel. Co., pfd	85	90
Owens Bottle, com	48	49
Owens Bottle, pfd	97¼	98
Paragon Refining, com	18½	20½
Paragon Refining, pfd	96	97
Toledo Machine & Tool, com	50	55
Toledo Milling Machine, pfd., 8%	60	70
Toledo Miling Machine, com	2	2½
BONDS		
Commonwealth Bldg. Co. 5s	87	93
Cuyahoga Telephone 5s	90	92
Louisville Home Tel	..	92½
Ohio State Tel. Co. 5s	90	92
Toledo Gas, Elec. & Heating 5s	45	60
Toledo Heating & Light	..	90
Toledo & Western Ry. 5s	15	25

U. S. GOVERNMENT BONDS

Quoted by C. F. Childs & Co.

Price range for week ended May 26

	High	Low	Close	Yield
2s Consols (after April, 1930)	100⅛	100	100 1/16	1.95
4s Old (after Feb., 1925)	104¾	104	104⅝	2.60
2s Panama, 1936-38	100⅛	100	100⅛	1.95
3s Panama, June, 1961	79¾	77¾	79¼	4.05
3s Convers'n (after April, 1943)	82	77¾	80	4.45
Liberty Loan—				
3½s, 1932-47	88.30	87.70	88.00	4.27
1st 4s, 1932-47	87.40	87.20	87.20	4.85
2nd 4s, 1927-42	87.10	86.94	87.02	4.97
1st 2nd Conv. 4¼s, 1932-47	99½	95	97½	...
1st 4¼s, 1932-47	87.98	87.30	87.60	5.12
2nd 4¼s, 1927-42	87.24	86.82	87.16	5.25
3rd 4¼s, 1928	90.76	90.50	90.54	5.80
4th 4¼s, 1933-38	87.44	86.94	87.22	5.37
Victory—				
3¾s, 1922-23	97.98	97.54	97.98	4.72
4¾s, 1922-23	97.98	97.56	97.92	5.77

U. S. TERRITORIAL BONDS

	High basis	Low basis
Philippine 4s, Feb., 1934	5¾%	6%
Hawaiian 4s, Aug., 1941	5½%	6%
Porto Rican 4s, Jan., 1937	5½%	6%
Dis. of Columbia 3.65s, Aug., 1924	96	93

NEW INVESTMENT FIRM

Harry O. Parsons and Horace F. Carbaugh, both well known in the investment field, have formed a partnership and will open for business at 29 South La Salle street. Mr. Parsons for years was manager of the investment department of the Union Trust and Mr. Carbaugh was in charge of the municipal section of the bank. The firm will originate and underwrite a great part of its offerings in addition to participating in the national offerings from time to time.

TO MANAGE CHICAGO OFFICE

Blodget & Co., investment bankers, Boston, New York and Chicago, announce the appointment of Edward W. Ellis, western representative in charge of their Chicago office.

WRIGLEY DIVIDENDS

The Wm. Wrigley Company has declared dividends for eight months in advance at the rate of 50 cents per month per share.

CORN PRODUCTS

Selling of Corn Products has been based on reports that the extra dividend of 50 cents per share will be eliminated at the next meeting of the directors, the regular $4 annual rate being maintained. Firms who sometimes act for interests closely identified with the company, insist that the extra payment will be continued, but in view of the implied attitude of certain influential interests in the company's affairs, the payment remains in doubt.

STANDARD OIL OF N. J.

The annual report of the Standard Oil Company of New Jersey for 1920 shows a consolidated net income of $164,461,409, which equals $38 on the common shares of $25 par value. This compares with $77,985,685 or $77 a share earned on the $100 par value common stock in 1919.

Gross earnings amounted to $632,790,455, which compares with $437,105,682, an increase of $195,684,773 or 44 per cent. The net income of the company amounted to $72,622,207, but the income received from affiliated companies totaled $91,839,202.

NO ACTION ON PACIFIC OIL

No action toward declaring an initial dividend was taken at the regular monthly meeting of directors of Pacific Oil. Only routine business was transacted.

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INVESTMENT NEWS

A Weekly Financial Journal Devoted to Investments, Commerce and Business

The Financial Paper for Busy Business Men

Volume XV CHICAGO, MAY 28, 1921 Number 21

AT THE SIGN OF THE $

BY ERNEST POOL

New York, May 26, 1921.

PESSIMISM of the rankest kind, pessimism of the destructive kind, influences the views and actions of practically every professional trader on Change these days. Intrinsic values of shares of corporations apparently count for little; these men day after day resort to short selling with an abandon that as in the case of grains may cost them a pretty penny when the turn comes, as come it will. It were foolhardy to say that the situation is all that can be desired; that business is fast returning to normal; that soft spots do not exist in the general roster, and that earnings are satisfactory. The situation is still fraught with many pitfalls, sterling and other European exchange is mystifying, business is still being held in check and leash by labor conditions, and the continuing high wages which men insist upon receiving, but clearings begin to show and while the financial skies are still overcast the breath of depression has in all probability passed its crest and soon, very likely before autumn, the wheels of progress will turn again and workers will be busy. The new era is fast approaching and it will mark an entirely new epoch for labor as well as capital.

$ $ $

As an event of the rapidly culminating readjustment period this week's fall of stocks following a preceding week also of declines, is worthy some study apart from consideration of general economic happenings. The market had before it some factors of a decidedly constructive character; it had a few also of depressing import but so far as the constructive items were concerned the professionals completely submerged them with their wailings of discontent and their free-handed distribution of stocks which they did not own. For instance, the assurance of the United States Labor Board that wage rates of common labor would come down on July 1, and the intimation that readjustments would soon extend into the domain of skilled workers, was something for which markets had been eagerly waiting, and yet when the announcement was finally made it fell flat as a market influence. With an aggregate wage schedule of more than $3,700,000,000 a year one would naturally reach the conclusion that it would be stimulating to know that a 10 per cent cut in such a sum would mean $370,000,000 a year and a 20 per cent cut $700,000,000. But the stock market—or rather the professional traders—turned immediately away from that important occurrence and thought of what might happen to the carriers in the few weeks that remain before July 1. Such are the gyrations of the Wall street mind.

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Then in the case of the banking and credit situation no more favorable news had appeared during the year than the reports of the reserve system showing the highest ratio of cash to deposit and note liabilities since August, 1918, and reductions in a few days of more than $198,000,000 in loans to member banks. But again Wall street professionals presumably came to the conclusion that the persistence of 7 per cent money rates was of far more reaching importance than the strengthening of the bank system although the latter, while recording present depression of business, unquestionably is being stopped by current forces for the financing of much of the world's trade a little later. Stocks therefore acted as though the many influences which promoted an optimistic attitude in April had been dissipated. My own view is that such is not the case but rather that as intimated in my last review last week traders were more influenced by day to day events than by the very apparent betterment of the general situation which in time cannot but make for a broader market with a higher level. How near accurately I am judging this transitory factor and how truly this visualization of the probable happenings in the next few months may be, only time will tell. Frankly I have espoused again the constructive side of the market and that regardless of the lugubrious wailings of the hide-bound professional trader who fain would see only calamity in the coming year.

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Still there are one or two important lessons to be derived from a study of the market's actions these days. The first, and it is an important one, is that the buying power of the public has been woefully curtailed. The public that in the past has bought stocks freely and has been severely hurt, has not yet acquired confidence in the stability of quotations and is still apprehensive of the immediate future. The second lesson to be drawn is that the purely professional speculator has things his own way and with comparatively little funds and small turnovers is able to manipulate values backed up by directorates—unconsciously of course—who persist in cutting or passing dividends altogether. In my judgment altogether too much importance is being given to these dividend suspensions. But even passing of dividends does not militate against tangible values of corporations; they indicate reaction in business and in earnings, but these are things to be expected in these days of readjustment from war to peace bases. I am quite satisfied that more dividend reductions or suspensions will come from a number of corporations, but isn't it a fact that these eliminations merely strengthen the corporations rather than weaken them as the professional speculators would have the public believe? It is to be expected that business in the next few months will continue to be uneven, but as these falls in stock values have come so it is positively certain that the advance will come later if for no other reason than that the two powerful factors mentioned above are working and will continue to work for the stabilization of business.

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The hiatus in the prompt readjustment in business experienced nowadays is almost entirely the result of labor's attitude towards accepting lower remuneration for its service. It is like a break in the chain of progress. Labor's standpattism on the question of wages has caused a drastic decline in production and incidentally is keeping up war prices; that in turn is affecting consumption; the decrease of consumption has affected earnings, traffic and all the rest of the economic forces that make for progress. That labor, soon or late, will have to accept and eat its piece of deflation pie, the same kind of pie that has been served to producers of the raw materials, the distributors, the wholesalers, etc., there is absolutely no doubt. But so long as labor balks and refuses to move, so long will the break in the chain that speeds up the economic machinery exist and so long will depression rule. It is for that reason that I consider the decision of the United States Labor Board of such supreme importance and of such a constructive character. It would not be surprising if even the stock market some day awoke to the realization that values are headed the wrong way based upon known agencies working for reconstruction, and suddenly veered from the fall to the rise.

$ $ $

In my judgment a present effort to appraise matters of immediate import

while tinged at the moment by unfavorable events in the light of past experience should be converted after a while into a movement to anticipate developments weeks and possibly months ahead. It looks as though the tendency of the latter sort went astray last month because a rosy appearance of a few branches of business had been deceptive. A new start may be based on data affecting industry as a whole, and in that connection it is essential that attention be paid to Europe besides the interest now shown in the dispute over upper Silesia. This morning's news brings the statement that an era of better understanding is coming in Europe. France, for instance, no less than Germany and Great Britain, seems to be turning to a policy of conciliation and has actually begun the demobilization of the forces enrolled for the contemplated Ruhr basin invasion; Germany, on the other hand, appears to be quite willing to act decently and honestly and is responding promptly to Allies' requests, in sharp contrast to its arrogant and dilly-dallying attitude of a few weeks ago. Altogether there are streaks of clear sky in the financial and political heavens which suggest calmer, better and more peaceful days in the immediate future. The pessimist will have a hard time of it in the coming months.

$ $ $

You will remember that some time ago I intimated that Durant was seeking to perfect a new motor organization, the purpose of which was to rival in time General Motors, from which he was so unceremoniously bounced. Following close upon his acquisition of a fairly large block of Studebaker stock Durant and his associates acquired the Sheridan Motor Car Company, and now comes the news from Detroit that the Durant Motor Company of Michigan with a capital of $5,000,000 is now a part of the new Durant plans. Simultaneously comes the announcement that Ver Linden, vice president and director of General Motors, has severed his connection with General Motors and has become the new president of the Durant Michigan organization. Ver Linden is a factor to be considered. He has been president and general manager of the Olds subsidiary of General Motors at Lansing and is largely responsible for the wonderful development of that company from a third rater to its present very important section of the General Motors organization. Durant is nothing if not resourceful and in work and organization he is a veritable human dynamo. How far he will prove a thorn in the flesh of Du Pont, his successor, time will tell.

$ $ $

In my Wednesday letter I stated that in my judgment the present raids against stocks had probably culminated with the slump witnessed during the day. I am still of that opinion and although there may be some further fluctuations in stocks of corporations that have failed to thoroughly liquidate high inventories, as a general rule the market should tend upwards next week. The stocks already today showed a disposition to come back promptly.

$ $ $

Among the groups likely to show quick and material appreciation are the Coppers and particularly Anaconda, Utah and Inspiration. These in the order named should improve two or more points from the present quotations in the coming week. Anaconda at or around 41 and Utah at or around 55 appear to be excellent ventures.

The Steels cannot do much until and unless the situation in the industry clears and shows betterment. The larger mills, including the mills of the U. S. Corporation, are operating at considerably less than 40 per cent normal capacity and some at actually less than 30 per cent. No announcement has been made of the probable cut in prices by the Corporation, but this is an incident likely to occur at any time and may be a stimulant to a drooping industry.

$ $ $

The Sugars will remain languid due to the extraordinary slump in both the price of raw sugars and the industry as a whole, and for the present it is hardly worth while considering them as prospective issues in which to trade at a profit. Among the commodities, Hide and Leather, Woolen and Corn Products on substantial slumps may prove profitable, and surely so for a long pull.

$ $ $

As frequently reiterated in several past letters, I cannot see much in the Rails for a time. A revival, however, might not be long delayed immediately following the U. S. Labor Board's announcement on June 1 next regarding the amount of reductions which railroad wage earners may expect. That announcement cannot but be a constructive measure and should influence favorably the general trend of stocks upward. The heavy financing which culminated this week with the French loan is about over. Money rates should ease in the coming week and I again recommend purchasing for the long pull. Next fall the stock market may tell an entirely different story.

STOCKS BREAK BADLY

Heavy liquidation in many groups of stocks caused a general decline in quotations which culminated Tuesday afternoon with losses ranging from 2 to 10 points. The first development which upset the market was the entirely unexpected action of the board of directors of Central Leather, who decided to pass the preferred dividend. This came as a surprise to the street, as it had been known for some time that powerful interests identified with the company had been strongly in favor of continuing the regular disbursement of the preferred stock, owing to the recent appreciation in inventories.

The fact that certain other important dividend meetings were scheduled this week, and that the course to be taken was somewhat in doubt, also promoted liquidation in Baldwin, Corn Products and Pierce Arrow. The passing of the Remington Typewriter first and second preferred dividends caused a heavy break in the common stock. The oils were unsettled, the feature being the decline of nearly 4 points in California Petroleum.

Steels as a group showed weakness, although the most pronounced decline took place in Crucible, with Bethlehem Steel B a close second. Selling of steels was promoted by the publication of figures indicating a record low capacity in steel ingot production.

CHEMICAL & DYE CO.

The Allied Chemical & Dye Corporation reports for 1920 net income after charges, inventory adjustments and taxes of $16,179,939, equal to $6.33 a share on the outstanding common stock after deducting the 7 per cent dividend requirements on the preferred stock. Gross income, after depreciation renewals, obsolescence and ordinary taxes, was $29,768,751 and inventory adjustments $10,226,688. Losses of $798,435 were taken on securities sold and $2,563,689 was set aside for federal taxes.

The balance sheet as of December 31, 1920, shows total assets and liabilities of $282,743,048. Investments totaled $19,985,860 and cash $19,942,819. Marketable securities totaled $2,699,531 and notes receivable $4,125,455. Accounts receivable , amounted to $23,267,306 while patents, good will, etc., were carried at $21,283,444. On the other side of the balance sheet were notes payable of $11,100,000 and accounts payable of $10,027,410.

SIMMS PETROLEUM

The annual report of the Simms Petroleum Company, to be forthcoming shortly, is expected to make an unfavorable showing. Some estimates forecast a deficit for 1920 of approximately $500,000. For the first three months of this year the company earned slightly under $100,000 before allowing for depreciation.

THE OTHER MAN'S POINT OF VIEW

Argentina and the Packing Industry

We have received the following letter from Mr. Laurence H. Armour, vice-president of Armour & Co.:

May 23, 1921.

Editor, INVESTMENT NEWS: I notice in INVESTMENT NEWS, for the week of May 21 an article under the heading "Packers may quit Argentine."

I do not know just how this bit of news came to your attention, but I would like to advise that as far as Armour and Company are concerned, there is no truth in it. It is quite true that labor conditions in Buenos Aires have been anything but favorable during the past twelve months and that at the present time all Frigorificos with the exception of those of Armour and Swift which are located just outside of the city of La Plata and not Buenos Aires, are closed. This means that the plants of all the British packers are closed and also two plants owned by Americans, but I believe that I am quite safe in saying that the present annoying conditions have in no way caused the packers to "seriously consider the advisability of closing indefinitely all their plants in the Argentina." The two remaining plants may be forced to close, but in no case has it been done voluntarily by the owners.

You go on further to say that the agitation against the packers has been due to the low price for cattle. This again is erroneous, as the attitude of the laboring man is not any more favorable toward the Estanciero than it is towards the packers and the trouble to date has entirely been caused by extraordinary demands made by the workmen which the packers have been unable to meet. As far as the cattle prices are concerned, the raisers are now receiving prices which are greatly in excess of those being paid for cattle in Australia, New Zealand, and other countries who also look towards the United Kingdom and Continental points for merchandising their product. At the present time, South American beef on the English and Continental European markets does not command the prices that were obtainable during the war and for sometime subsequent. In addition, there has been within the past eight months a very considerable reduction in the prices of all kinds of by-products, such as hides, fats, etc., so, the same as in the United States, live cattle prices in South America must find a lower level. The prices of live cattle in the Argentine, however, during the past year, have not decreased in the same relative proportion as live cattle costs in other countries.

The article referred to by Mr. Armour was forwarded to us by our New York correspondent. Substantially the same report was given publicity in a special dispatch from London quoting Buenos Aires as the source of the information. We regret that in transmission unintentional errors crept into the story, and that while only the plants of the British packers were closed the reader was left under the impression that American owned packing plants also were included. We thank Mr. Armour for calling our attention to this very important difference.

Concerning Coal and Tobacco Prices

By C. H. V. Smith

Last winter my regular coal dealer, the Consumers Company, handed us our regular pittance rather gingerly. We had it doled out in tidbits. Other dealers, so I am informed, were getting fairly large supplies, possibly because they were purchasing from coal brokers. Incidentally I would like to ask: Why a coal broker? Why any more parasites in business?

My interest in the matter arises from the fact that all the coal I bought during the winter and the ten tons I laid in this spring was bought and paid for at just $2 less a ton than the price asked by the dealers who buy from brokers. Who got the extra $2?

And while on the subject of fuel, how many remember when we paid ten cents for a two ounce tin of very good tobacco? With the advent of the war the price began to go up; then the quantity began to go down, until before the armistice we were paying 16 cents for one and three-quarter ounces. In other words, tobacco that cost five cents an ounce was increased to a trifle over nine cents an ounce. And now, with unmanufactured tobacco selling at the lowest prices in years and growers holding their tobacco because of the low prices and the newspapers reporting a poor tobacco market with no sales, the tobacco manufacturers are still turning out smoking tobacco in the same quantity and at the same high price.

Is there any explanation? Please let us have it.

CHANDLER MOTOR

Directors of the Chandler Motor Company will meet June 6 for dividend action. In well-informed quarters it is expected that the disbursement will be $1.50 per share, or at the rate of $6 a year, instead of the $10 annual payment. Scale buying orders are understood to be in the market for substantial volume below the present level, around 60.

WESTINGHOUSE ELECTRIC

The Westinghouse Electric & Manufacturing Company reports for 1920 net earnings after inventory adjustments, charges and taxes of $12,617,536, or $8.43 a share earned on the outstanding preferred and common stocks, which share equally in earnings after 7 per cent has been paid on the common. This compares with $10.16 in 1919.

SHALL ILLINOIS GO BACKWARD OR FORWARD?

Illinois just now is in the midst of a serious after-the-war slump. Thousands are out of work. Many factories are entirely closed. Many families are actually suffering. Building is at a standstill. Business men are puzzled. They see visions of industry avoiding the state—of the state getting a setback from which it may not recover in years.

Repressive legislation of any kind at this time would be a disaster. It is no time for exploiting foolish notions. It is a time to do everything possible to stimulate activity; to increase confidence; to increase employment; to increase building; a time to announce to the people of the state and the country that Illinois is safe from radicals.

House Bill 741 proposes repressive legislation. Read what the effects of such repression legislation would be in the following article. The statements made are true; nobody has yet ventured to question their accuracy.

*BY SAMUEL INSULL**
President Commonwealth Edison Co.

IN the beginning, all public utility companies were purely local enterprises; visionary ones, most people thought. There was then no thought of "regulation." As these services proved their merit, the first idea of every community was to get them at any price.

The next stage in the development of this industry disclosed that public utilities were not necessarily purely local enterprises. Thus city boundaries were crossed and the telephone, street car, electric, and (in some cases) gas, service of the big cities was extended into the suburbs.

Then came the linking up of separated communities, particularly in the electrical and gas business, so that many communities could be supplied from a single central plant. The linked-up communities got the advantage of production on a large scale in the central plants * * * and utility service was taken to a multitude of little places, spotted between the linked-up larger cities, which were too small to have plants of their own and which never could have had utility service if this development had not come * * *

In consequence of this we find in Illinois today as many as 190 communities served by a single central station electric distribution system and communities of fifty and a hundred people receiving the same electric service as the residents of the large city. We find this state covered with a web of telephone wires having no beginning or end, and putting our cities and villages in touch with New York and San Francisco or through telegraphic and marine cable with Europe and China. Electric railway lines, no longer local, tie suburbs to the cities; interurban lines link up widely separated communities, give the farmer transportation both for himself and for his products, and as in central Illinois, haul thousands of workers in mines and factories to and from the open country.

We are now getting well into the third stage of public utility development. Public utility companies must more and more, cross state boundaries and become interstate in their operations, as they once crossed municipal boundaries, if their full measure of usefulness to commerce and industry and to organized society is to be realized.

But now comes a paradox.

This natural economic development is encountering its most senseless opposition in the very place where it has been most useful to commerce and industry and organized society. That place is right here in Illinois, the heart of the Mississippi Valley "electric belt," where public utility service averages higher in efficiency and lower in cost to the user than anywhere else in the world.

We are told the utilities ought to be regulated by local municipal authority, instead of by a body of state wide authority, because under state regulation many of them have been permitted to advance their rates. Who hasn't advanced his selling prices since the world war began in 1914? Who hasn't had to do it or go broke? As a matter of fact, utility service rates have advanced less than any other class of prices, although the utility companies have had to pay two and three times pre-war prices for their labor and materials, just like the rest of you; and today, public utility service is relatively cheaper than anything else we buy, whether for our businesses, our amusements, our tables, or our backs.

Proposals to regulate public utilities by local municipal authority become more of an absurdity day by day. These companies are no longer local institutions. They cannot be local if they are to be fully useful.

Economic necessity does not recognize parochial boundary lines. Illinois is already spanned by interconnected electric transmission lines that extend beyond the state boundaries. When three short gaps aggregating 110 miles are connected up, there will be a complete electric transmission system from Minneapolis and St. Paul on the north to St. Louis and Louisville on the south. When one hydro-electric plant is built in Kentucky at a point where it undoubtedly will be built as soon as funds are available at fair rates of interest, the system will extend to Cincinnati. Extension from there to Pittsburgh and thence across the Alleghany mountains to connect with systems on the Atlantic seaboard is easily conceivable.

This extension of transmission lines over wide areas, and interconnection of them into great distribution systems, is of practical concern to every present or prospective user of electric light or power. It is your guaranty of increasingly efficient and economical electric service. It insures certainty and continuity of supply. It makes electric service available in new places for new purposes, so that aggregate demand for service is spread over more hours of day and night, and thus opens the way to utmost economy in production and distribution.

We hear much about getting people back to the farms. You cannot expect people to live on farms unless you permit them to have some, at least, of the conveniences you offer the dwellers of cities. Already upwards of 10,000 Illinois farms have electric service, for one purpose or another, drawn from across-country transmission lines and the demand grows steadily. Local "home rule" will set up an almost insurmountable obstacle to satisfying this demand from the farms because it will obstruct the economic development that is necessary to take electricity to the farm and to deliver it to the user there at a reasonable price.

This industry is neither an alien nor a parasite in Illinois. It lives here and it pays its way. Damage it and the whole fabric is damaged, your part as well as ours.

The total investment in the public utility services of Illinois is more than $1,250,000,000. That is the investment in so-called local utilities—gas, electric, telephone, electric railway, etc.—and excluding steam railroads and telegraph lines.

The properties created in Illinois by this investment are owned, not by a few "bloated capitalists" who "fatten on the necessities of the people," as pictured by the demagogue, but by upwards of 400,000 citizens of Illinois who have invested in the stocks and bonds of the state's public utility companies. These Illinois companies will have this year a combined tax bill of more than $15,000,000. Their aggregate annual payroll is nearly $200,000,000, or about four times as much as they pay to their security holders. This army of employes and their dependents are also financially interested in the utilities. So are additional thousands of employes in industries that sell to the utilities.

These collateral industries ought to be profiting still more than they are. I remember that, right after the armistice in 1918, much was said of the proposed expenditure of $60,000,000, over a period of five years, for hard roads and of the effect of this upon general business. In the same period the public utilities should be spending, not $60,000,000, but about $500,000,000 on construction work required to meet public demand for service. Unintelligent politics is retarding this expenditure of $100,000,000 a year—all for material, supplies and wages—and its consequent effect upon general business.

The way to get lower rates and better service from the public utilities is to let them develop in harmony with in-

*An address before the Peoria Association of Commerce.

dustrial necessities and economic law. That means encouraging concentrated production and still wider distribution.

Expectation that rates for utility service can be reduced merely by reversion to local regulation is a delusion, fed entirely upon misinformation and misrepresentation. Under regulation by state commission, as in Illinois, public utility companies are already under the strictest possible control. Utility rates, no matter by whom fixed—by a state commission or a city council—must be sufficient to provide for operating costs and a reasonable return to the owners of the utility. That is the decision of the highest courts and city councils cannot reverse it. How, then, are city councils to fix rates lower than a state commission has fixed, unless they intend to act arbitrarily, without investigation or information, and fix rates which cannot be sustained?

Liberty 3½s at New Low

Increased activity in the various Liberty bonds was responsible for a greater volume of trading in the bond market Tuesday, but at the expense of values. The 3½s were the least active of the four most prominent issues in this department, yet furnished one of the market's few features. Having closed at the low record price of 88.00 Monday, the 3½s declined gradually Tuesday, reaching still another new low level at 87.70 before the selling appeared to have run its course.

Bond men expressed the belief that the weakness in this issue was due to a withdrawal of demand. The reaction was considered just another phase of the decline that began when a forecast of the government's plans for tax revision brought into question the long-term value of tax-exempt securities. Liberty 4¼s of the fourth loan declined about one-quarter of a point to 87.00.

Bosch Magneto 8's

The American Bosch Magneto Corporation has sold $2,500,000 of 8 per cent sinking fund gold notes, due on June 1, 1936. The bonds were offered to investors at 98½ and accrued interest, to net more than 8.15 per cent. The issue is redeemable at 105 and accrued interest, at the option of the company on any interest date on thirty days' notice. The minimum annual sinking fund will provide for the retirement of $2,000,000 of the principal amount of the notes prior to maturity.

Frisco to Issue Bonds

Authority has been granted the St. Louis & San Francisco Railway by the Interstate Commerce Commission to sell $4,232,000 prior lien mortgage bonds, series "C," now held in the company's treasury. The terms required that the price should not be less than 90 per cent of par or to pledge these securities as collateral for promissory notes issued by the company to meet requirements.

NEW BOND ISSUES OFFERED AND COMING ISSUES

New French Loan Is Selling Fast

The new $100,000,000 French government loan was offered to American investors this week and subscriptions were reported coming in well by Chicago members of the offering syndicate.

This issue possesses several unique features which, when fully understood, are relied on to make the bonds doubly attractive. Foremost is the provision of a sinking fund of $750,000 a month or $9,000,000 a year for five years for purchase of bonds in the open market up to par. This alone assures a steady buying demand and marks the first monthly sinking fund operation for foreign government bonds floated in this country. By way of comparison the $25,000,000 Swiss bonds sold in this country last year have a quarterly sinking fund of $250,000 for purchase of bonds up to 105. This fact has served to keep the market price well above par, which was the offering price.

The new French bonds run for twenty years, cannot be called, and are sold at a price to yield 8 per cent, thus assuring a long term, high yield government security. The bonds bear coupons making the interest easily collectible. The proceeds of the issue will be used to pay off about $70,000,000 of maturing issues formerly sold in the United States and to establish a credit of about $20,000,000 for the purchase of American commodities. Thus France is asking little additional American money, and what is sought will redound to the benefit of American industry.

In its terms and character the loan throws light on the trend of things. Measured by interest rate, offering price, and redemption price, the new loan imposes easier terms than did the $100,000,000 French loan of last September. It is not usual for such large loans to follow one another with a reduction of interest yield. Ordinarily the net rate of interest rises progressively.

There are two other inferences to be drawn from the present terms: First, that the willingness of American investors to lend to France has not been impaired by events of the last eight months, and, second, that investors who a short time ago insisted on an early maturity are now demanding long term issues. This change in attitude probably reflects a belief that the price of capital and the yield of investments presently will be lower. It also means, in the case of European government bonds, that intelligent Americans are waking up from the nightmare of a "bolshevik Europe" and a "ruined world."

The syndicate offering the bonds is headed by J. P. Morgan & Co. and among the Chicago firms who have joined Messrs. J. P. Morgan & Co. are the following: The National City Company; Harris Trust and Savings Bank; Guaranty Company; Lee, Higginson & Co.; Dillon, Read & Co.; Kidder, Peabody & Co.; White, Weld & Co.; Spencer, Trask & Co.; Kissel, Kinnicut & Co.; Blair & Co.; Bonbright & Co.; E. H. Rollins & Sons; Clark, Dodge & Co.; Halsey, Stuart & Co.; Equitable Trust Company; First Trust and Savings Bank; Illinois Trust and Savings Bank; The Central Trust Company, and The Northern Trust Company.

U. S. Treasurer and N. Dakota Bonds

The efforts of the State Bank of North Dakota, said to be a product of the non-partisan league policy in that state, to float a $3,000,000 state bond issue took a sensational turn this week when an advertisement appearing in metropolitan papers carried a signed statement by Frank White, treasurer of the United States, endorsing the issue.

A formal and official repudiation of the use of Mr. White's name and position was issued by the Treasury Department. Mr. White is said to have established to the satisfaction of the treasury heads his innocence of any attempt to use the influence of his office in behalf of the Bank of North Dakota. He was wholly unaware of the existence of a federal statute rendering him liable to a heavy fine and removal from office.

Mr. White declared tonight he was innocent of any intention of using his office to promote the sale of the North Dakota bonds and that he most assuredly was ignorant of any statutory prohibition against his testifying to the financial stability of a state which in this instance happened to be his home. He said he had made the statement to a young man representing the New York agents of the Bank of North Dakota in the distribution of the bonds, but had no intention nor notion it was to be so used in public advertisements.

Bonds on Part Payment

That the importance of the small investor as a market factor is gaining wider recognition almost daily is indicated by the action of Halsey, Stuart & Co., one of the country's large bond distributing organizations, in their announcement of a partial payment plan permitting the purchase of their securities on a partial payment basis, extending over a ten months' period. The movement, it is stated, is prompted by the desire of the company to increase bond distribution through the stimulus resulting from a systematic bond purchase plan, and also by placing conservative investments within the grasp of even the smallest investor, thus removing the temptation to indulge in speculative securities which have previously absorbed so substantial a part of their surplus.

INVESTMENT NEWS

EDITORIAL OFFICE
SIXTH FLOOR
108 S. La Salle Street
CHICAGO, ILL.
Telephone State 4898

Entered as second-class matter March 4, 1914, at the postoffice at Chicago, Illinois, under the act of March 8, 1879.

Advertising rates on application

Subscription Price:—One year............$6.00
Six months.......... 3.25
Foreign:—One year...................... 7.50
Six months.................... 4.00

Saturday, May 28, 1921
A. C. Babize, Editor.

SEEN AS IS

CHICKENS do come home to roost. Col. George W. Harvey, who not long ago wielded the pen with more acerbity than possible decorum and the recognition of polite conventions, and who possibly obtained the ambassadorship to Great Britain in recompense to yeoman service rendered since the armistice days for his party, opposition to a league of nations, and the Versailles treaty, has now driven certain chickens home to roost, which in the views of not a few places this great country in a novel position. ambassadorship to Great Britain in recin London made these terse remarks: "We deceive ourselves occasionally. Even to this day an ebullient sophomore seeks applause by shouting 'We won the war.' Far more prevalent until recently was the impression that we went to war to rescue humanity from all kinds of menacing perils. . . . We went to war to save the United States of America, and most reluctantly and laggardly at that." And, as statements shine most luminously by comparison, let us quote now a remark made by the President of the United States in New York last Monday, before a large assemblage of business and financial leaders, when, after paying tribute to the heroic dead of the late war, he said: "It must not be again; it must not be again."

* * *

The question may very pertinently be asked: Did Col. Harvey represent the sentiment of the great American nation in his utterance quoted above; did we or did we not enter the great conflict from purely selfish motives; just merely to "save our bacon," or did we realize that humanity, ourselves included of course, was really threatened with menacing perils and with lofty purpose cast our lot with the struggling millions, thereby turning the tide of battle and saving the world? And exactly what did President Harding mean when he said with tears streaming down his cheeks: "It must not be again?"

If Ambassador Harvey is right we did not enter the world war to uphold our dignity or to avenge our own martyred dead of the Lusitania; we did not enter the war in protest against the shocking crimes of the German barbaric hordes; the spoliation of homes; the wanton destruction of private property; the slaughtering of innocent noncombatants; the outrages of the piratical subsea boats; the dragging into servitude of thousands of young men and women; the insults heaped upon our flag; the deliberate attempts of the militaristic junkers to sink civilization without leaving a trace. We did not go into the fight for any of these things —unthinkable outrages they were considered in those days of high keyed patriotic devotion to ideals handed down by the forefathers; to undisputed enjoyment of hard won liberty—we went into the war simply "to save our bacon." And is it not proper to ask here: If Harvey is right what does Harding mean when he says substantially: "Never again?" Or rather, taking the President's own words at their real worth, does he not mean: It must not be again—such a war waged in such manner by barbarians—it must not come about, that we shall send the flower of our youths to lay down their young lives, from a purely selfish point of view; wars must not again happen to threaten and jeopardize the blessings achieved through centuries of civilization; the world must live in peace and enjoy the blessings of liberty. America trusts it will not have to fight for any selfish purpose; America trusts it will be strong enough to forefend and render impossible such conflict in the future.

* * *

Humans are naturally selfish, and nations equally so. But it is not making an extravagant statement to say that among humans there are some who believe in idealism, and it is not too much to say that among nations there may be one—at least we choose to believe so—that may also be idealistic in its hopes and aspirations. It may be true that ideals lead to illusions, but the desire for unalloyed enjoyment of liberty is not an illusion among Americans. It has been long since a fixed reality. And as the stars and stripes represent that ideal, so the wish that just one flag, with hundreds of stars emblazoned upon its blue background, an international flag of freedom and hope, can hardly be said to be an illusion, although it may rightly be termed an ideal.

* * *

All progress is based upon idealism, and America is the land of progress. The determination to make a nation half slave to fully free was an ideal for which our fathers fought, and it represented progress. Between altruism and idealism the demarkation is small, but it was the altruism of this country, the sympathy felt for struggling small nations that drew, and later compelled, the United States to unsheathe its sword first in behalf of the oppressed Cubans and later in the interest of the Filipinos. Today in consequence of the aid extended—an aid extended for purely idealistic motives—the Cubans are free and liberated, and the Filipinos soon will be. And both nations are the happier, the more contented, and the more prosperous in consequence. And the sympathetic aid also being extended to the struggling Irish, while it may be of the idealistic sort, is not of the illusionary sort, for soon or late even Ireland surely will be free.

* * *

Many of us prefer to believe that America entered the world war not because it wished, in the penultimate hour, or because it had, "to save its bacon," but because it believed in lining up, tardily though it may have been, with the right and the righteous. It went into the war, many prefer to believe, simply because its own cherished ideals and traditions that had gotten a foothold even in the nations of the old world, were threatened and jeopardized. It went into the war to uphold them, to defend them, not to hold to mere material things or add territorial possessions. Were ideals to perish from this world the world would perish.

* * *

How different the sound of Lloyd George's voice from Harvey's. The British prime minister declares: "The future well being of the world depends more upon the good will, the good understanding and co-operation between the two great English speaking peoples than upon any other one fact. It is the best, the surest guarantee of peace. If this war isn't the last war, the next will leave Europe in ashes." And referring to America he added: "We welcome this new power, vigorous, strong, clear headed, untrammeled with old quarrels." Ambassador Harvey may term these utterances idealism. Possibly they are, but it is just such idealism that leads to progress, and progress is peace.

There are many who accepted at their full worth the declaration of the United States early in 1917 when the then President stated: "We seek nothing for ourselves but peace for the world; we aim at nothing more than the making of this world safe for democracy." Some attempts have been made to turn that statement into meaning exactly the opposite of what was intended, but such efforts will fail; they are already failing. The democracy of the world means the downtrodden, the poor, the humble; it draws a keen distinction from the tyrannical, the arrogant, the would-be domineering. Democracy certainly does not include the Trotzkys and the Lenins; but it does include the law abiding, the god fearing,

the idealists who work and toil for their daily bread, and who ceaselessly strive for their own higher achievement, hence for the higher advancement of the nation.

Ad astra per aspera. Call that idealism if you please, it still remains inspiration and it leads to loftier realms, more unselfish enjoyment, a better understanding, nobler manhood, than the gross materialism of a disturbed epoch. It uplifts and does not abase.

The Dollar Buys More

THE dollar earned and spent by the average family now will buy approximately 25 per cent. more today than a year ago. Reports to the Labor Department show that millions have been added in the aggregate to the buying power of American families.

The dollar now is worth approximately 65 cents as compared with the pre-war dollar. In May a year ago, when prices were highest, the dollar was worth relatively only 37 cents. The increase is approximately 27 per cent. in value on the basis of one year ago.

Prices are falling steadily. Government reports indicate. Retail prices especially are experiencing a regular decline all along the line, which reduces the cost of living to the ultimate consumer.

Shelter, food, clothing and other commodities are experiencing a regular decline month by month, which increases the purchasing power of the dollar in a steady climb.

That economic change is developing in every section of the United States at a time when prices are mounting steadily in most of the European countries. In Italy prices are approximately eight times higher than in pre-war days, reports to the Treasury Department show. In England, France and The Netherlands the price level has changed little since the days when armies were in combat.

The fatter American dollar now is bringing especial benefit to families of workers whose wage scales have been reduced. Despite the nation-wide wave of wage cutting most workers now a able to buy more with their lower wages than a year ago.

Approximately 12,000,000 men and women normally are employed in shops, factories and industrial plants of the United States. These now average $28.08 a week according to a survey by the Federal Reserve Board. A year ago the average was $30.10, showing that the wage cutting movement forced on employers by rising costs has reduced the average wage only $2.02.

On the basis of a dollar worth 27 per cent. more than a year ago the nation's factory operatives now receive nearly $100,000,000 more purchasing power for their work, despite wage reductions which most of them agreed to stand.

BIGGEST OF ALL BOND ISSUES COMING; A HUGE GAMBLE

NEVER in history was there a gamble of such magnitude as will be presented to the American people in the comparatively near future.

Upon the restoration of Germany depends the restoration of Europe. Upon the restoration of Europe depends the stability of the world. Germany has agreed to the terms imposed upon her by the Allies and will issue bonds payable in gold for the debt she owes to them. These bonds will go to nations whose credit is more or less debased. There is only one great market in which these bonds can be sold to the advantage of the nations receiving them from Germany. That nation is the United States.

But what are the bonds worth? They are payable in gold. It manifestly would be impossible to redeem them in that metal, for the 132,000,000,000 marks in the issue represent more than three times the total of minted and bar gold in the world.

The next question is what are such bonds worth? France, Great Britain, Italy and the others may be expected to indorse the bonds they receive and thereby share the obligation.

But would such endorsement add much to the virtue of the bonds? Italy, Belgium, Great Britain are loaded to the guards today with debt.

It probably will be argued that the bonds practically become an obligation on all Europe. That could not be far out of the way.

Presuming that the American investor considers the bonds as purely speculative, at which price would they appeal to him?

Today railroads, industrial concerns and others pay from 8 to 10 per cent or more for the money they buy. Bonds which ordinarily would be considered gilt edged command 7.

Railroad bonds of a speculative character paying 6 per cent interest sell around 50.

The German bonds carry 5 per cent interest. Would they sell higher than the bonds of an American railroad somewhat weak financially?

Admittedly, Germany is a problem industrially, financially and politically. Admittedly, she has the greatest task ever assumed by a nation in all history in the promises she has made to pay. Admittedly, she would and will dodge payment if she can.

What then are the bonds worth to the American investor.

There are several reassuring features despite all that is questionable about the bonds.

First is the remarkable energy of the German people. Germans and Chinese rank highest among the people who have the will to work.

Second is the fact that the bonds of a nation continue as an obligation regardless of governmental changes.

Third, and by no means last, is the fact that Germans may see, through the economies enforced to meet these obligations, a strengthening of the industrial structure of the nation in the end that will give to Germany a leadership commercially and otherwise greater than she ever could have attained by military triumph.

But it's all a gamble. The magnitude of the bond issue will make it necessary for the Allies to be careful in feeding the securities out to investors. An overload would demoralize the market.

And what amount of money can America invest in this way? The railroads, the utility companies, hundreds and hundreds of corporations must come into the American market for funds. And so must various nations other than the Allies.

All this does not make for cheap money for years to come.

SILVER NOW COMING IN

In addition to the steady stream of gold now flowing into the United States, a shipment of silver has appeared here. It arrived this week on the steamship Manchuria from Hamburg, and consisted of 72 bars to the American Metal Company, 34 bars to Handy & Harriman, 173 cases of silver, valued at 3,813,000 marks, to the Hardy & Ruppert Company, and seven cases, valued at 155,307 marks, to the same consignee. Small shipments of silver have arrived from Germany since the armistice, but this is the largest consignment so far.

BANK OF ENGLAND

The Bank of England's rate of discount remained unchanged at 6½ per cent. The weekly statement of the Bank of England follows:

		Increase
Total reserve	£ 18,991,000	£ 376,000
Circulation	127,807,000	*287,000
Bullion	128,349,000	*11,000
Other securities	89,139,000	8,129,000
Other deposits	112,060,000	6,754,000
Publis deposits	16,419,000	*98,000
Government securities.	38,106,000	*1,825,000

*Decrease.

The proportion of the bank's reserve to liabilities is now 14.80 per cent, against 15.28 per cent last week and 16.50 per cent in this week last year.

The clearings through the London banks for the week were £670,296,000 against £627,251,000 last week and £649,028,000 in this week last year.

BANK OF FRANCE

The weekly statement of the Bank of France shows the following changes:

	Inc., francs
Gold in hand......................	222,000
Silver in hand....................	490,000
Notes in circulation...............	*221,803,000
Treasury deposits	*23,986,000
General deposits	107,823,000
Bills discounted	*76,817,000
Advances	12,087,000

*Decrease.

The state repaid to the bank 100,000,000 francs.

Hoover on Exports

CONGRESS may give Secretary Hoover $250,000 to make a vigorous campaign of foreign trade development. Congress may give him ten times or a hundred times $250,000 for that purpose, but American goods cannot sell abroad against competitive foreign goods unless the American price is right.

In particular instances where for special reasons we can still offer the best bargain we manage to hang on to some of our business. One example is an Australian order for a million and three quarters of dollars of switch gear and transformers captured the other day by an American electrical company, probably because of its possession of exclusive patents, processes and facilities in that line. Another is a United States Steel Corporation contract just now placed in Japan for rails, thanks probably to the company's recent cuts in wages, costs and prices.

But we are losing our general export business hand over fist, as Secretary Hoover warns Congress, with a sheer drop of 50 per cent. in exports during the last six months. In the first three months of this year our export trade fall was 18 per cent. worse than Great Britain's. We are losing customers in the Orient to England and France. We are losing customers in South America to England and Germany, where the Krupp Gun Company, now turned from war to peace pursuits, is putting in successful bids for steel billets, plates, wire fencing, even locomotives. We are losing customers all over the globe to Germany. We are losing customers right here in the United States to Germany.

Our former customers are not turning from our goods to other goods because we do not supply merchandise as good as before. They are not turning from ours to somebody else's because we lack Department of Commerce agents preaching the merits of our wares. Only the other day without such Department of Commerce aid we were selling at the rate of billions more a year than we are selling now They are substituting other goods for our goods because ours are too dear. And this will be the finish of us in foreign trade unless we go back to original principles under which you get the business only with the right price.

Expels H. D. Hughes

The Philadelphia Stock Exchange has expelled Henry D. Hughes, of the firm of Hughes & Dier, from that organization. No details or reason for expulsion were given. Immediately and almost simultaneously with the news of his expulsion came the announcement that the firm of Hughes & Dier had been dissolved by "mutual consent."

GOLD NOTES REAPPEAR

The appearance of a large number of gold certificates in circulation within the last weeks brought the statement from the Federal Reserve Bank officials that there has been no change in the attitude of the bank toward the gold notes, and that they might be obtained by anyone who desires them. It is the opinion of the bank officials that the gold notes represent "stocking funds," which were secreted and hoarded away during the war, when the gold certificates were not in general circulation.

National Steel Car 8's

New York bankers offered this week $700,000 8 per cent equipment trust certificates Series B of the National Steel Car Lines Company, to be guaranteed unconditionally as to principal and dividends by the Transcontinental Oil Company. They are dated June 1, 1921, and will be secured by a first lien on 507 all steel standard tank cars, the issue representing 55 per cent of the present market of that equipment. The certificates will mature semi-annually in lots of $50,000, beginning on December 1, 1921. The offering of the various maturities is at prices to yield 8.40 per cent.

Road Sells Equipment 7s

The Chicago, St. Paul, Minneapolis & Omaha Railroad Company has sold to bankers $760,000 of 7 per cent equipment trust certificates, due $95,000 annually on January 1, 1924, to January 1, 1931. The certificates will be offered for public subscription by the underwriters, those maturing in 1924 to 1926 at prices to yield 6.50 per cent; 1927 to 1929, 6.45 per cent, and 1930 to 1931, 8.40 per cent.

Salt Lake R. R. to Issue Notes

The Los Angeles & Salt Lake Railroad was granted authority by the Interstate Commerce Commission to issue at par $2,500,000 in promissory notes to meet anticipated requirements during the present year. The carrier estimates that $6,332,460 is necessary to meet cash requirements for other than operating expenses for additions and betterments and new equipment, interest requirements and taxes.

Pierce Oil Issue Out Soon

Reports are current that the Pierce Oil Corporation financing, which has been simmering for some time, will be announced within a short time. It is expected the amount will be for upward of $12,000,000. Reports are that the issue will be handled by an entirely different group of bankers than those formerly identified with the corporation's affairs.

Brazil's First Loan Here

STRONGER ties between nations than those formed by mutual commercial and financial relationships are not known anywhere in the world. It is important, therefore, to note the United States lending, out of the resources of its development, to nations on the South American continent whose future expansion will depend to a great extent, as once did that of the United States, on the helping hand of foreign capital. The loan to Brazil for $25,000,000 negotiated in this market dovetails admirably with our increasing share in Brazilian export and import trade.

Before the war our part in Brazil's trade amounted to only 20 per cent. Last year our share was 45 per cent and since 1915 we have occupied first instead of second place in both sales and purchases in that country.

Brazil is a nation rich in natural resources, awaiting only the developing touch of larger capital to return handsome reward. Its credit rating is high, its existing debt is low. It has stable government and its people are aggressive and industrious.

Until now the Brazilians have financed their railroads and public works, coffee and rubber plantations, as well as general commerce, through London and Paris loans. Although our commerce with Brazil has been growing apace, this is the first time Brazilian securities have been sold openly in this market, an event full of significance, since it is capital investment which almost without exception holds open the door to commercial markets.

This relation between investment of capital abroad and the accessibility of foreign markets was dwelt upon by the Brazilian Ambassador, Mr. de Alencar, in his speech at the convention of the National Association of Manufacturers:

"One great handicap from which American exporters suffer in Brazil is the fact that the investment of capital is so insignificant as compared with the investment of capital of their competitors. It must be observed that the investment of capital carries with it much more than simply the dividends. When English, French or other countries place money into enterprises the return is not only the return on investment, but they obtain large orders for materials and supplies of all kinds, thus developing foreign trade. The people of the United States have never availed themselves as they should of this means of extending their political and commercial influence in South America."

The Brazilian Ambassador has here put a whole volume of economic wisdom into a few words.

SINCLAIR QUITS ONE JOB

Harry F. Sinclair resigned from the presidency of the Sinclair Consolidated Oil Company, Earl W. Sinclair succeeding him. The change was made to allow H. F. Sinclair to give greater attention to the expansion of the Sinclair company, as he will continue actively in the executive management.

QUERIES ON INVESTMENTS

Copper Stocks and Miami

Do you consider copper stocks a good buy at current quotations? What of Miami Copper?—B. J. N., Chicago.

It is quite generally believed that copper stocks are some of the best long pull buys on the market today. The metal is gradually enhancing in price and stocks accumulated are decreasing steadily.

Miami Copper is one of the few copper companies that has been able to earn more than its dividend requirements, $3.86 per share being earned in 1920, an exceptional showing indeed in view of prevailing conditions within the industry. Present dividend rate is 50 cents per share quarterly. Production cost in 1920 was 11.9c per pound. Net liquid assets on December 31, 1920, stood at $7,500,000, or $10 per share. Efficient and capable management of Miami is reflected in the strong position the company is in today.

There is no doubt but that the copper stocks are "scraping bottom" now, and an opportunity to purchase the better copper securities at this low level should certainly be taken advantage of.

Miami is desirable both from a standpoint of investment as well as speculation. Dividend of 50 cents quarterly yields around 9 per cent at present market price. The stock offers unlimited possibilities marketwise.

Retail Stores Stock

What is the position of Retail Stores? What are its earnings?—A. L. P., Chicago.

According to the latest statement of income Retail Stores has a surplus today in excess of $6,000,000. There are outstanding 633,102 shares of class A stock as well as 160,000 founders shares, all of which will receive the quarterly dividend of 1½ per cent recently declared and payable July 1 to stockholders of record June 15. The quarterly dividend requirements call for $1,189,654, or $4,758,612 a year. The corporation is reported as doing a good business today with high priced inventories of one year ago practically disposed of. The stock at current quotations looks attractive.

General Motors Outlook

What is causing the present weakness in the stock of General Motors? Am holding several hundred shares bought at 14. Would you sell out?—C. W. McW., Elgin, Ill.

There have been rumors, unverified, of a probable passing of the dividend. The common stock has been paying $1 per share annually. We do not know how long this disbursement will be continued. The year 1920 has made directors of all industrial companies extremely cautious and even if earnings were to show a very marked improvement the probabilities are that increased revenues would be used to pay off current indebtedness rather than for additional disbursements to common stockholders. Of course any extended bull movement in the stock market would carry General Motors common along with it to a certain extent, but the preferred and debenture issues seem to present an opportunity for much greater profits than the common. And combined with these greater profit possibilities is a far greater degree of security of both principal and income.

Oklahoma Gas & Electric

Can I obtain the convertible secured notes of Oklahoma Gas & Electric in $100 denomination?—W. H. V., Galesburg, Ill.

Yes. The Oklahoma Gas & Electric 8 per cent convertibles of 1931 are issued in $100, $500 and $1,000 denominations and may be bought at a price to yield to maturity about 8.50 per cent. This corporation is the largest electric and gas distributor in the state of Oklahoma. Its territory is in the richest section of the state and all plants and equipment are modern and highly efficient. This company's gross earnings in the past five years have increased 153 per cent and the net earnings have increased 73 per cent. Last year's surplus was an increase over the previous year of 23.3 per cent. In 1916 the company had 20,515 electric and 22,864 gas customers. In 1920 the former had increased to 35,485, and the latter to 30,150.

Minor Queries

A. B. L., St. Paul, Minn.—Reading rights have been inactive for a long time. In the past few days they have been in demand again and have advanced from around 15½ to a little above 18.

O. C. R., Chicago—Poor business in the motor industry is almost entirely responsible for the slump in stocks of these corporations. We believe Pierce-Arrow's preferred dividend is safe, but likely to be reduced.

E. E. D., Paxton, Ill.—The Bosch Magneto 8 per cent gold notes constitute the only funded debt of the company. The issue matures in fifteen years and is redeemable at 105 and accrued interest.

B. J., Superior, Mich.—Worthington Pump & Machinery Company earned 7¾ per cent on its $12,992,120 common stock last year.

G. J., Chicago—Latest report of income of National Leather is for 1919. Heavy losses were sustained in 1920. The stock pays no dividends.

LINSEED CO. PASSES DIVIDEND

The American Linseed Oil Company has passed the quarterly dividend on the common stock which was due at this time. The regular quarterly dividend of $1.75 on the prefered stock was declared payable July 1.

No Action on Southern R'y Dividend

Directors of the Southern Railway took no action at this week's meeting on the regular semi-annual dividend of 2½ per cent on the preferred stock, usually paid June 30. At the close of their meeting it was announced that the disbursement would be considered at the board's next regular meeting June 9. At the same time announcement was made that directors of Alabama Great Southern, whose majority stock is owned by the Southern Railway, had declared dividends of 3 per cent on both the common and preferred stocks, reducing to a 6 per cent annual basis stocks on which 7 per cent had been paid since 1919.

No statement could be obtained from Fairfax Harrison, president of both roads, as to whether reduction of the Alabama dividend forecast similar action next month by the parent company. Instead Mr. Harrison made public income statements showing the 1920 earnings of the two companies, both of which declined the government guaranty for the six months after the relinquishment of federal control on March 1, 1920.

Southern's earnings for 1920, in the first two months of which the road was operated for account of the government and in the last ten months for corporate account, compare as follows with twelve months of operation by the government in 1919:

	1920	1919
Oper. rev. 10 mo.	$126,339,238	$110,153,678
Oper. expenses	107,965,810	96,063,032
Oper. income	12,345,952	9,581,773
Standard return	*3,108,982	†18,653,893
Non-oper. income	2,850,538	2,230,126
Gross income	18,305,472	20,884,019
Int., rentals, etc.	16,589,323	15,742,452
Net income	1,716,148	5,141,567

*Two months. †Twelve months.

From net income for 1920 the statement then deducts $1,500,000 for the regular semi-annual dividend paid December 31, 1920, the June disbursement having been reserved out of income for 1919. Other deductions for betterments and miscellaneous income appropriations totaling slightly over $100,000, leave a balance of $113,713 carried to credit of profit and loss in 1920, compared with $2,137,259 in 1919.

The statement of Alabama Great Southern for 1920 shows gross income from all sources of $2,577,574, compared with $1,884,152 in 1919, the balance after charges amounting to $1,659,167 against $1,246,180 in the previous year. The balance carried to credit of profit and loss after dividends totaled $873,350, against $461,455 in 1919.

INTERNATIONAL FINANCE AND FOREIGN EXCHANGE

Hydroelectric Development in France

PLANS in course of preparation by the French Government contemplate the development of a yearly average of 4,000,000 horse-power by 1934 through the utilization of the rivers of the country for the manufacture of electricity.

The creation of energy for the electrification of the railways and the big industries of France has received tremendous impetus since the armistice. Reports just completed show that within the last three years 450,000,000 francs have been invested in forty-nine power plants throughout France by French investors.

The recent visit of President Millerand to the valley of the Rhone revived interest in the famous Rhone water power project, plans for which have been completed and now are before the Senate for ratification. The Chamber of Deputies approved the idea in October, 1919.

The Rhone project, as it is known in Europe, is one of the most comprehensive water power developments ever conceived and involves the expenditure of 3,000,000,000 francs. No fewer than twenty lesser projects have been launched in France, but the Rhone is further advanced than the others.

It has been estimated that the Rhone scheme, together with the other big projects, would effect an annual saving of 5,000,000 tons of coal, thus diverting this to other purposes and materially reducing the importation of coal by France.

The Rhone plan would make navigable between 400 and 500 kilometers of that river, would reclaim 650,000 acres of ground now useless and would probably place at the door of Paris electricity at a price within the reach of every one.

The Government plans to make the Rhone as well as all the other projects a "creation of the people" through the issuance of 6 per cent. non-taxable bonds, the proceeds to be used in construction. The Finance Committee of the Senate has the matter before it, but because of the financial depression and the already great burdens of the French treasury the actual construction probably will not begin for several years.

The majority of the plans for hydroelectric development concern the rivers Rhone, Garonne, Rhine and Loire.

Germany's Grip on Russia

Before the war Germany, by treaty compact and trade agreement, transport facilities and banking and exchange arrangements, was not merely a heavy buyer of raw materials from and a profiting seller of finished products to Russia. Germany was an immense, teeming, prosperous clearing house of Russian products outward bound for the world beyond and of the commerce of near countries and far continents inward bound on its way to the millions of consumers within the Czar's vast European and Asiatic provinces.

What Germany seemed to lose for all time by going to war with the Allies was her strangle hold, so to speak, on the Russian nation, which, measured by its resources of grain, lumber, minerals, livestock and wool, was the greatest economic force in the Old World.

It develops now that in the Russia of the Soviets, as in the Russia of the Czars, Germany since the war has intrenched herself deeply on the old strong lines of commerce and industry. Germany is ahead of Great Britain in this respect not merely as to time but as to range. Her trade arrangement is more far-reaching, her relations are closer, and her grasp is firmer. Indeed, if the details of the compact are accurate, both Germans and Russians may dwell in either country, do business in either country and hold property in either country under the ordinary protection and terms of accepted international laws and customs.

Most striking of all is this outcome, according to The New York Herald's Berlin Bureau: "The agreement accords Germans in Russia an exclusive position over the subjects of all other countries and privileges in her business dealings far beyond those accorded even to Soviet citizens themselves."

It is this reestablishment of old German relations in Russia which emphasizes the grave danger which the best judgment in America and England always foresaw in heaping extreme penalties upon Germany in the indemnity settlement. Always natural economic allies, Germany and Russia might very easily have been welded into a political and even national whole had France and the other Allied nations driven Germany too far. And the truth cannot be blinked that the ultimate power of Germany and Russia combined, measured both by population and by natural wealth, would vastly outweigh all the rest of the countries of Europe put together.

France Cuts External Debt Half a Billion

France has reduced her external debt more than $500,000,000 in the last six months, according to detailed figures issued by Jean Rincquesen, head of the French Financial Agency. The reduction covers the period between September 30, 1920, and March 31, 1921, and since the latter of those dates, it is understood, France's foreign obligations have been cut down further.

Loans have been made by France in twelve outside countries. The following table, containing her debt position on representative dates, sets forth the decline which has occurred since the end of the third quarter of 1920, the figures being millions of gold francs at the par of exchange:

	Sept. 30, 1920	Jan. 31, 1921	Mar. 31, 1921
United States Gov.	16,500	16,500	16,500
British Government	13,195	11,980	11,980
United States	2,108	1,194	1,102
Great Britain	2,020	1,915	1,895
Japan	336	344	344
Argentina	145	110	107
Holland	115	115	115
Norway	59	45	...
Spain	564	513	504
Sweden	70	70	39
Switzerland	136	111	57
Uruguay	80	80	80
	35,328	32,976	32,723

The pending new loan of $100,000,000 to the French Government, through a public offering here, will not check the tendency toward debt reduction for any great length of time, as $50,000,000, or more of the proceeds of it is to be used to meet maturing obligations during the remainder of the year.

The Steel Corporation Prices

ONE of the noteworthy features of the Federal Trade Commission's complaint against the United States Steel Corporation and eleven subsidiary companies for "unfair competition" is that the proceedings were urged by Judge Gary himself as long ago as the middle of 1919, when the head of the great corporation said to the commission: "It is one of the most important questions that you ever had before you or ever will have before you. I believe it is a matter to be settled by this commission."

What the matter is, in this particular steel case, is the so-called Pittsburgh plus price plan. Under this arrangement, it is complained, purchasers of rolled steel must pay anywhere in the market the fixed Pittsburgh base price plus the freight rate on such steel from Pittsburgh. "even though the product is not purchased at or shipped from Pittsburgh."

In other words, if the steel were manufactured and sold and delivered to the purchaser, say in Duluth, the Pittsburgh base price being $50, then the Duluth price for the Duluth product delivered to that Duluth consumer right in the place of manufacture would be $50 plus $13.20, the imaginary freight charge from Pittsburgh to Duluth. Again, when steel is purchased, say in Gary, Indiana, and delivered to La Porte, Indiana, the Gary price to the purchaser is $50, the Pittsburgh base price, plus an imaginary freight charge of $7.10 from Pittsburgh to La Porte, making a total of $57.10 at Gary. But the actual transportation charge of $3.80 a ton from Gary to the purchaser at La Porte is paid by the producer. The Birmingham price on the other hand, is the Pittsburgh base price plus an arbitrary $5 a ton plus the freight.

What is called the "steel manufacturer' price practice" makes it impossible, the complaint alleges for purchasers of rolled steel to secure the product from any manufacturers at other than the prices quoted by the Steel Corporation.

Under the "Pittsburgh base" system all purchasers in Pittsburgh must pay the price quoted f. o. b. Pittsburgh for rolled steel according to the corporation's quotations. The "Pittsburgh plus" price is what all purchasers outside of Pittsburgh, no matter where located, except Birmingham, Ala., must pay for all rolled steel except rails. This price is the Pittsburgh base plus whatever the freight rate would be for the shipping of the product from Pittsburgh to the point of delivery, even though the product is not purchased or manufactured at or shipped from Pittsburgh.

Steel manufactured in Chicago, for instance must be sold, under the Pittsburgh plus system, at $57.60 when the Pittsburgh base is $50, the same situation applying as to the arbitrary addition of an imaginary freight charge.

In Birmingham, Ala., under the present system, purchasers must pay $5 a ton above the Pittsburgh base for rolled steel, even though the steel is manufactured in Birmingham from basic materials procured close to that city, and even though the actual cost of manufacture is considerably less at Birmingham than in Pittsburgh.

The complaint charges that the United States Steel Corporation controls through its subsidiaries over 75 per cent of all the iron ore in the Lake Superior region, the greater part of all iron ore deposits in Alabama and all the "ultimate iron ore supply" in the United States. It also owns or controls, it is alleged, a majority of the railroad and lake transportation systems which carry ore from the mines to the manufacturing plants, and all the coal mines and limestone quarries necessary in the manufacture of steel at the various points of manufacture.

Before the recent freight increases were allowed the "Birmingham differential" over the Pittsburgh base was only $3 a ton. When the freight increase went into effect, it is charged, the differential was arbitrarily increased to $5 a ton without any valid reason.

Uniform prices are thus maintained among steel manufacturers, it is set forth, and the high cost steel plants in Pittsburgh can maintain their high prices without fear of competition from manufacturers established elsewhere with lower producing and other costs. These other outside manufacturers, on the other hand, are enabled to charge prices which secure them large additional profits through their lower costs of operation.

The complaint concludes with instances of the "said arbitrary and unfair and unlawful discrimination in price" in Duluth, Chicago, La Porte, Ind.,Gary, Birmingham, etc., and it is shown that an Atlanta fabricator is subjected to a handicap of $25 a ton when competing in Pittsburgh against a Pittsburgh fabricator through these base and freight plus prices. The discrimination in favor of Pittsburgh manufacturers, it is charged, tends substantially to lessen competition and create a monopoly for the Pittsburgh fabricators, including the subsidiaries of the United States Steel Corporation located there.

The result has been to provide "an effectual method whereby the steel manufacturers of the United States maintain uniform prices among themselves, all of which restrains free competition and tends to lessen substantially competition throughout the United States between the respondents and their competitors engaged in the business of manufacturing steel."

Foreign Exchange

London—	High	Low	Close	Last Week
Cables	4.00½	3.94⅜	3.94⅜	4.00⅜
Checks	3.99¾	3.94	3.94	3.99⅝
Paris—				
Cables	8.79	8.38	8.49	8.61
Checks	8.78	8.37	8.48	8.60
The following quotations are for checks:				
Antwerp	8.78	8.37	8.48	8.60
Italy	5.59	5.33	5.33	5.58
Switzerland	18.03	17.90	17.95	17.98
Holland	36.02	35.30	35.30	35.90
Sweden	23.77	23.20	23.50	23.60
Norway	16.02	15.55	15.65	16.02
Denmark	18.33	17.90	18.12	18.12
Finland	2.30	2.25	2.28	2.25
Spain	13.75	13.42	13.42	13.75
Germany	1.69	1.65	1.65	1.69
Greece	5.70	5.40	5.47	5.65
Austria	.27	.26	.26	.27
Czecko-Slavia	1.50	1.46	1.47	1.50
Roumania	1.80	1.68	1.73	1.79
Poland	.13	.13	.13	.13
Jugo S.	.90	.76	.90	.76
Canada	106.00	104.00	105.00	103.00

Fatty Degeneration of War

CAPITAL is not up in arms but is rejoicing over its lower level of wages brought about through the reduction of interest or discount rates first in Boston, then in London and Stockholm and now in New York, Chicago and Atlanta. Although it will mean a smaller return on the new investments of their accumulated savings, hardheaded investors have not been whirled around the vicious circle the last six years without learning that the low, settled interest rates of normal times are preferable to the 7, 8 and even 10 per cent rates of abnormal times, when even the safest investments become little better than unstable speculations, and when interest returns are devoured by living costs.

Lower interest rates are an integral and necessary part of the deflation of general costs, wages, inventory overhead, taxes and transportation charges. They are necessary to bring a change from a buyer's market to a seller's market in farm loan bonds, agricultural and commercial paper generally, and all other securities representing basic production which itself was saddled with the major burden of deflation by the shift from a seller's market to a buyer's market in basic products.

In reducing their discount rate on commercial paper from 7 to 6½ per cent, the New York and Chicago Federal Reserve Banks give added impetus to the general movement toward a lower and saner level of all costs. The New York Reserve Bank is the largest reservoir of capital in the country. The reduction in its discount rate means as much to the commerce and finance of this country as the Bank of England's similar cut last week means to the United Kingdom.

The compactness of English banking makes it possible to stabilize interest rates throughout the British Isles by the action of the single central bank. The greater extent of American territory, the varied conditions in different parts of the country and the less compact banking machinery will delay uniform and stable interest rates in all sections until the natural flow of capital from New York and Boston to agricultural centres like Minneapolis, Chicago, Dallas and Atlanta can bring down the discount rates there also by relieving the congestion caused by capital tied up in unsold crops.

But all this will come and still lower interest rates will come. And with them relief for thrifty investors with fixed incomes; a closer approach to parity in the market price and the face value of Liberty bonds; an added incentive to production and permanently lower prices.

To attain these benefits, farsighted capital cheerfully accepts the suppression of high interest rates, because, like all other abnormal costs, they are the useless fatty degeneration of war.

IN THE REAL ESTATE MORTGAGE LINE

The Outlook in Business

By W. J. MOORE,
President, American Bond & Mortgage Co., Chicago and New York

It begins to look as if the nation had definitely turned the corner.

It is perhaps too much to say at this moment that the industrial depression is over, but certainly there are ample signs which indicate that we are now on the upgrade.

Recent activities in the stock market show a far more hopeful trend, and the same condition holds true in the real estate market.

As a matter of fact, even during the last year of depression, there has been no marked slump in real estate values. Real estate has held up very well, and is still holding its own.

The high prices of building materials have, naturally, restricted building operations, but even in this field there have been many signs of activity, and these are rapidly multiplying.

Strikes in Chicago and several other cities have retarded building operations this spring, but these seem to be in a fair way toward adjustment.

The Chicago situation is unquestionably disturbed. Nevertheless, builders seem optimistic and express the opinion that the building trades labor trouble will probably soon be over.

Labor generally appears to be realizing that it must conform to conditions in other commodities. This was the case in Baltimore, where a voluntary wage reduction was accepted by the building trades.

The market for sound real estate investments is firm, especially for issues bearing an interest return of from 7 to 8 per cent. There is a keen demand for these, and the public appears to realize that this rate of interest, under prevailing conditions, is not excessive, and can be obtained upon issues where the fundamental security is absolutely safe and sound.

It is probable that we shall not see the end of high rate money for some months, and during that time, real estate securities to be readily salable, must command an interest rate commensurate with that obtained by other first-class securities.

Wells Building Corporation 7's

Subject to prior sale the Century Trust & Savings bank offers $200,000 Wells Building Corporation 7 percent first mortgage gold bonds personally guaranteed by the Wells Building Corporation. The bonds mature serially $10,000 to $12,000 annually 1922 to 1929 and $112,500 Oct. 1, 1930. The property adjoins the new 16-story Peoples Life Building and is in an ideal location near the court houses. The engineers appraisal of the value of building and leasehold is $490,000.

The same bank offers also $800,000 first mortgage 6 percent bonds of the Great Northern office building, Hippodrome Theatre and Majestic Hotel, location at Quincy and Jackson street. Maturities are 1922 to 1930. Offers also the unsold portion of the Jackson Park Apartment 7s. This building is at 1540 to 42 East 65th place, in one of the most desirable residential sections of the city. The building is six stories and basement of semi-fireproof construction.

Loew's Theatres 8's

The American Bond & Mortgage Company is offering $1,800,000 Loew's Theatres first mortgage 8s maturing serially $45,000 to $55,000 semi-annually 1922 to 1930 and $925,000 April 15, 1931, at par and accrued interest to yield 8 per cent. The security behind the issue is conservatingly estimated at $3,175,000. The bonds are an absolute closed first mortgage on Loew's 83d street theatre, now being erected at 83d and Broadway, New York, and also by Loew's theatre now being erected at Broad and New streets, Newark, N. J. The income account of Loew's theatrical enterprises and affiliated companies for the 102 months period ended Aug. 30, 1920, shows gross income of $21,060,672 and consolidated profit $4,375,803. Estimated earnings for 1922 are placed at $6,000,000.

Lake View Auditorium 6½'s

The Union Bank of Chicago offers at par and accrued interest $120,000 6½ percent serial gold bonds of the Lake View Auditorium and Stores building at 3136 to 3148 Sheffield avenue. The building is fireproof and it is estimated the net income of the property should be in excess of $75,000 a year.

The Union bank also offers $75,000 first mortgage gold bonds of the Dorchester apartment, 6040 to 6050 Dorchester avenue. These bonds are callable at 102 and interest.

Sunny Shore Apartments 6's

Heitman Bond & Mortgage Company offer among other investments to net 6 percent $90,000 first mortgage 6 percent Sunny Shore Apartments, located at the northwest corner of Kenmore and Catalpa avenues less than two blocks from Lake Michigan. These apartments are rented to a very selected class of tenants and their income is more than four times the interest charges of the bond issue. They mature serially 1922 to 1926, and none of the real estate security is released until the entire bond issue is paid off.

The same firm also offers an unsold portion of $35,000 6 percent bonds of the Meilicke Calculator Company building at Wrightwood and Best avenues.

These bonds are unconditionally guaranteed by Carl A. Meilicke, president of the Meilicke Calculator Company.

Stony Island Avenue Property

Chandler, Hildreth & Co. offer $80,000 6½ percent bonds of the Court building, located at 6054-62 Stony Island avenue, containing 36 flats of 4 rooms each. Total security approximates $170,000 and rentals are estimated at $25,440 annually.

Opens Bond Department

The Home Bank & Trust Company has opened a bond and investment department under the management of Maurice M. Finkel. The department will buy and sell high grade government, municipal and corporation bonds and notes.

Farm Loan Certificates

The First Trust & Savings bank offers the remaining portion of the total issue of series A $350,000 first mortgage farm loan certificate at prices to net 6 percent. The final maturity date of these certificates is Oct. 1, 1930. The security behind the mortgage is appraised at over 2½ times the total issue. The mortgages are on farms in Indiana, Iowa, Minnesota and South Dakota.

Take Larger Offices

Radon, French & Co., investment bankers of this city, have moved from 111 W. Monroe street to larger offices at 79 W. Monroe street, 11th floor.

Columbian Colortype 6's

Foreman Bros. Banking Company recommend for investment $425,000 personally guaranteed 6 percent first mortgage serial notes of the Columbian Colortype Company. The notes mature July 1, 1922 to 1928 and come in denominations of $100, $500 and $1,000.

E. & S. Loewenstein in New Home

E. & S. Loewenstein heretofore located at 40 N. Dearborn street have moved to larger quarters at 140 N. Dearborn street, Cunard Building, suite 910.

THE TREND IN COMMODITIES

Tremendous Uplift in Wheat

Wheat prices in Chicago are the highest in the country for cash and May delivery. Demands of eastern exporters for immediate delivery of grain in the face of reports of crop losses in the southwest were responsible for the sudden upturn this week carrying the price of May wheat to $1.85, which is 65½ cents above the quotation of April 14.

Trade in July wheat has been extremely nervous with prices fluctuating widely with indications of heaviness, the high being $1.36½ with a reaction to $1.32½.

Corn.—The large buyers of cash corn and July were seaboard exporters and liberal offerings from the country were readily absorbed during the last few days. Latest quotations: May, 61¾; July, 64; Sept. 66⅝.

Oats.—Crop news still unfavorable makes for continued uncertainty. However, business has been good and fair offerings were readily sold. Latest quotations: May oats, 40½; July, 41⅞; September, 43⅝.

Provisions.—Short covering was somewhat in evidence this week which effected small bulges which were again lost. May pork, 17.80; May lard, 9.52; July, 9.77; Sept., 10.10; May ribs, 9.92; July, 9.97; Sept., 10.22.

The Iron and Steel Trade

The Iron Trade Review says: The position of iron and steel trade, as the month draws to a close, is indicative of a period of intense dullness, extending throughout the summer. Further curtailment in operating schedules, a persistent decline in demand, conspicuously so in that from the automobile industry, a more pronounced tendency toward shading and the offering of concessions without compensating stimulus to sales are the factors chiefly governing the situation. Unfavorable features having a bearing on the immediate future continue to multiply; the markets generally are drifting for the present.

Prospects in the automobile trade apparently are less promising for June. While the Ford Company is planning on going ahead with its production schedule, another large producer has reduced by 50 per cent. An outstanding feature of the iron and steel market for the week is the dearth of interest on the part of the automobile interests; they are not buying so freely as recently and are cutting down specifications for pig iron. It is evident that the bulk of the business recently placed has gone through the mills and they are not now booking tonnages necessary to sustain the operations. May was the best month thus far this year in point of shipments for many producers of pig iron, but the outlook for June is far less encouraging. Structural steel business in April, according to the Bridge Builders' Structural Society, amounted to 55,900 tons, or 31 per cent of the country's

fabricating capacity, an increase of 2 per cent over March.

Coal Output Increases

The increase in production of soft coal, which has marked the past month, was accelerated during the week ended May 14. The total output is estimated at 7,937,000 net tons. The largest elements in the change are believed to be the increasing shipments to the Lakes and to tidewater for export.

The cumulative output for the year, is 55,000,000 tons behind 1917, about 44,000,000 behind 1920, and 10,800,000 behind even 1919.

That the decline in production of anthracite during the week ended May 7 was but temporary, and caused largely by the observance of May Day, is indicated by the improvement during the following week. Reports from the nine principal carriers in the anthracite region show that 37,063 cars were loaded, and from this the total output may be estimated at 1,938,000 net tons. This was an increase of 305,000 tons over the preceding week and but 7,000 tons less than during the last week in April.

Cumulative production for the calendar year to date stands at 33,791,000 net tons, or nearly 2,000,000 tons ahead of 1920.

DIVIDENDS DECLARED

Stock, Rate, Period—	Payable	Stock of Record
A. T. & S. F. Ry., 1½ q.	June 1	May 6
Asso. Oil, $1.50 q.	Apr. 25	Mar. 31
Brit. Col. Fish & P., 1½ q.	May 31	May 9
Do., 2d pfd., 1¾ q.	Apr. 30	Apr. 25
Cent. R. R. of N. J., $2 q.	May 2	Apr. 29
Cinn., N. O. & Tex. Pac., 3 s. a. and 2½ ex.	June 27	June 6
Do pfd., 1¼ q.	June 1	May 21
Cities Serv., ½ m., 1¼ stk.	July 1	June 15
Do pfd & pfd B, ½ m.	July 1	June 15
Genl. Elec., 2 q.	Apr. 15	Mar. 9
Consol. Coal, $1.50 q.	Apr. 30	Apr. 16
Garland S. S., 10	May 10	Apr. 25
Corn Products, 1 q., ½ ex.	Apr. 20	Apr. 4
Cin. Newp. & C. L. & T., 1½ q.	Apr. 15	Mar. 31
Crocker-Wheeler, 2 q.	Apr. 15	Apr. 4
Cuban-Am. Sugar, 50c q.	July 1	June 15
Do pfd, 1¾ q.	July 1	June 15
Dictograph Prod., pf. 1 q.	Apr. 15	Mar. 31
Dupont Chem., 20c q.	May 5	Apr. 25
Do., pfd., 20c q.	May 5	Apr. 25
Elgin Watch, 2 q.	May 2	Apr. 22
Essex Co., 3 s. a.	June 1	May 12
Fairbanks pfd., 2 q.	May 1	Apr. 20
Fajardo Sugar, 2½	May 2	Apr. 18
Harb. Walker Ref., 1½ q.	June 1	May 20
Do pfd., 1½ q.	July 20	July 9
Hollinger Gold Mines, 1	Apr. 22	Apr. 7
Hedley-Shaw Mfg., 10	Apr. 18	Apr. 8
Imperial Oil, 1 m.	Apr. 15	Mar. 30
Int. Co'bus Eug., $1.50	Apr. 6	Mar. 23
Do pfd., 2 q.	Apr. 15	Mar. 30
Int. Harvester, $1.75 q.	Apr. 15	Mar. 25
Intl. Nickel, pfd., 1½ q.	May 2	....
J. L. Kraft & Bros., 2 q.	May 1	Mar. 21
Kelly-Spfid. T., 3 stk.	May 2	Apr. 15
Do., pfd., 2 q.	May 16	May 2
Keokuk & D. M. pfd., $3 q.	May 5	Apr. 26
Kelsey Wheel, pfd., 1¾ q.	May 1	Apr. 21
Lanett Cot. Mills, 5 s. a.	Apr. 15	Mar. 30
Loose-Wiles, 2d pfd., 1¾ back	May 1	Apr. 19
Lehigh Valley, 1¾ q.	Apr. 2	Mar. 12
Do., pfd., 2½ q.	Apr. 2	Mar. 12
Motor Products, 1¼	May 1	Apr. 20
Miami Copper, 50c q.	May 16	May 2
Maple Leaf Milling, 3 q.	Apr. 18	Apr. 3
Do pfd., 1¾ q.	Apr. 18	Apr. 3
Mergenthaler, 2½ q.	June 30	June 4
Newmarket Mfg., 2½ q.	May 16	May 10
No. Pipe Line, $5 s. a.	July 1	June 11
N. Texas Elec. Co., $2	June 1	May 16
N. Y. Tran., $4 q.	Apr. 15	Mar. 22
W. Penn. Pow., pfd., 1¾ q.	May 2	Apr. 21
W. Penn. Ry., 2 q.	May 25	May 11
Pac. Pow. & Lt. pfd., 1¾ q.	May 2	Apr. 18
Pac. G. & E. 1st pfd., $1.50 q.	May 16	Apr. 30
Do orig. pfd., $1.50 q.	May 16	Apr. 30
Punta A. Sugar, $1.25 q.	Apr. 15	Apr. 1
Puget S. P. & L. pfd., 75c q.	Apr. 15	Mar. 29
Peerless T. & M., 50c q.	June 31	June 1
Peerless T. & M., 50c q.	Sept. 30	Sept. 1
Prai. O. & G., $3 q. & $3 ex.	Apr. 30	Mar. 31
Rep. I. & S. pfd., 1¾ q.	July 1	....
Quaker Oats, 1½ q.	Apr. 15	Apr. 1
Do., pfd., 1½ q.	May 31	May 2
Sapulpa Ref., 5 q.	May 2	Apr. 22
S. O. of Ohio, $3 q. and $1 ex.	July 1	May 27
S. W. Pwr. & L. pfd., 1¾ q.	June 1	May 18
Trucson Stl., 4 q & 50% stk.	Apr. 15	Apr. 5
Transue W., S. F., 1 q.	Apr. 15	Apr. 5
U. S. Power pfd, 1¾ q.	Apr. 20	Mar. 31
U. S. Smelt R. & M. Co., p fd., 87½c q.	Apr. 15	Apr. 6
Union Nat. Gas, 2½ q.	Apr. 15	Mar. 31
Weber & H. pfd., $1.75 q.	June 1	May 25
Welsh Grape Juice pfd., 1¾ q.	May 31	May 20
Wamsutta Mills, 2 q.	June 15	May 10
Wm. Whitman, 2 q.	Mar. 31	Mar. 24
Winchester 1st pfd., 3½ s. a.	Apr. 15	....
Do., 2d pfd., 3 s. a.	Apr. 15	....
Worth. Pump, 1½ q.	Apr. 15	Apr. 5
Westinghouse Elec., $19	Apr. 30	Mar. 31
Do., pfd., $1 q.	Apr. 15	Mar. 31
Pennsylvania R. R., 1 q.	May 31	May 2
Ampiro Mining, 2½ q.	May 10	Apr. 30
Stand. Milling, 2 q.	May 31	May 21
Do pfd., 1½ q.	May 31	May 21
Del. & Hud., 2½ q.	June 20	May 28
Cleve. & Pitts. reg. gar., 1¾ q.	June 1	May 10
Do Spl. gar., 1 q.	June 1	May 10
Ill. Central, 1¾ q.	June 1	May 6
Am. Tobacco, 3 q. cash	June 1	May 10
Do B, 3 q. cash	June 1	May 10
J. G. White pfd., 1½ q.	June 1	May 16
Cont. Paper Bag, 1½ q.	May 16	May 9
Do. pfd., 1½ q.	May 16	May 9
U. S. Steel, 1¼ q.	June 29	May 31
Do pfd., 1¾ q.	May 28	May 2
Del. & Hudson R. R., 2¼ q.	June 20	May 28
Amer. Art Works, 1½ q	July 15	....
Do pfd. 1½ q.	July 15	....

Industrials

LEATHER PASSES DIVIDEND

Directors of the Central Leather Company have passed the quarterly disbursement of 1¾ per cent on the preferred stock of that company due at this time, breaking a dividend record which has been maintained for fifteen years. In 1906, the year following the company's organization, 7 per cent was paid, which rate has been maintained without interruption ever since. In view of the fact that the dividend is cumulative Central Leather will have to pay off all back dividends on preferred stock before anything can be declared on the common. There is $33,299,000 of this preferred stock outstanding at present.

BALDWIN LOCOMOTIVE

Possible reduction of the dividend rate of Baldwin Locomotive brought a precipitous decline in that stock on Tuesday averaging 7 points from the opening quotation at 85 to 78¾. More attention, however, was paid to the possibility of new financing by the company. Baldwin's Polish paper, as well as the obligations of Roumania, are considered frozen credit, and it is asserted that this is a more plausible reason for the decline in Baldwin stock than reduction of the dividend.

GENERAL MOTORS

General Motors Corporation stock sold this week at the lowest level in several years. The directors meet the latter part of next month, and there are rumors of a downward revision of dividends.

According to eastern dispatches General Motors is now in a better position than earlier in the year. For the first quarter common dividend requirements of 25 cents a share or $5,000,000 for the 20,000,000 shares were not earned. It is expected, however, that in the current quarter it will be earned.

UNION CARBIDE

The largest selling of Union Carbide & Carbon stock that has occurred in a long time came into the Chicago market Tuesday and the shares broke to 46, a new low record for the year. Last year's low price was 44⅝. Directors of Carbide met Thursday and decided to reduce the dividend from its present 6 per cent basis to 4 per cent.

GOODYEAR REORGANIZED

Formal announcement has been made of the completion of the reorganization of the Goodyear Tire and Rubber Company, the elimination of F. A. Sieberling from connection with the company as president or director and the election of a permanent board of directors, as well as a new official staff. The new president is Edward G. Wilmer, formerly connected with the Steel and Tube Company of America. Other officers are G. M. Stadelman and P. W. Litchfield, vice-presidents; H. H. Springford, treasurer, and Charles A. Stillman, secretary.

With the exception of G. M. Stadelman the board of directors is entirely new, according to the latest report of the list of directors. The new members are J. P. Cotton, P. W. Litchfield, Greyson M. P. Murphy, J. R. Nutt, Robert C. Shaffner, A. A. Schlesinger, Ralph Van Vechten and Edward G. Wilmer.

The next step, in a fortnight or so, will be the offering of $30,000,000 debentures to stockholders for subscription. Such an offering has been underwritten by a New York banking syndicate.

HOLLAND-ST. LOUIS SUGAR

At the annual meting of the Holland-St. Louis Sugar Company this week the old board and officers were re-elected. Unfortunately the unprecedented decline in sugar, coupled with necessarily high operating expenses, did not permit of a favorable year. Loss without 1920 depreciation totaled $33,847. On the other hand while the company took a loss there is every reason to expect a profit for the 1921-22 campaign as operating costs will be reduced by nearly one-half.

The company will pay a minimum of $6 per ton for beets as against $10 last year; 12c for bags as against 32c; $7.50 for coke as against $12, etc., and very much less for labor. Even at the greatly reduced price for beets, the company has secured a full acreage.

The net cost of sugar is expected by most of the Michigan companies to run from 4½c to 5½c per pound for the coming year as against from 8c to 10c per pound the last year.

STROMBERG CARBURETOR

Stromberg Carburetor reports net profit for the year ended December 31, 1920, after charges and federal taxes $340,101 against $401,328 in 1919.

INVESTMENT NEWS

Volume XVI. No. 10 CHICAGO, SEPTEMBER 3, 1921 15c a Copy